STATE OF IOWA BEFORE THE PUBLIC EMPLOYMENT RELATIONS BOARD

STACEY BROWN, Appellant,)))
and) CASE NO. 102526
STATE OF IOWA (DEPARTMENT OF REVENUE), Appellee.))))

PROPOSED DECISION AND ORDER

The Appellant, Stacey Brown, filed a State employee disciplinary action appeal with the Public Employment Relations Board (PERB or Board) pursuant to Iowa Code section 8A.415(2)(b) and PERB rule 621—11.2. Brown asserts that the Iowa Department of Revenue did not have just cause to issue her a three-day paper suspension on November 5, 2020. The State denies Brown's three-day suspension was not supported by just cause.

Pursuant to notice, an evidentiary hearing on the merits of the appeal was held before the undersigned administrative law judge on June 22 and 30, 2021. The hearing was closed to the public in accordance with section 8A.415(2)(b). Attorney Anthea Hoth represented the State and AFSCME representative Melissa Speed represented Brown. Both parties filed post-hearing briefs on or before September 13, 2021.

Based upon the entirety of the record, and having reviewed and considered the parties' briefs, I conclude the State has established just cause existed to support its issuance of a three-day paper suspension.

FINDINGS OF FACT

Background

Stacy Brown has worked as an Accountant II for the Iowa Department of Revenue (IDOR) since March 2017. Prior to working at IDOR, Brown held other positions within state government, most recently working for Iowa Workforce Development (IWD).

In her first two years at IDOR, Brown worked in the Collections Department. However, in February 2019, IDOR transferred Brown to the Finance Department. Brown typically worked from approximately 6:30 AM to 3:00 PM Monday through Friday. While in the Collections Department, Brown's supervisor was Bureau Chief Leann Boswell. After transferring to the Finance Department, Brown's supervisor became Finance and Procurement Services Supervisor Randy Lagerblade. The record shows Brown received copies of IDOR's work rules, policies and procedures and was regularly trained on the duties and expectations of her positions.

Since Brown began employment at IDOR, she has had a tense professional relationship with IDOR employee MR. MR currently works as a Management Analyst 3 in the Collections Department, but previously worked as an Agent 3 in the Collections Department from 2017 to 2020 with Brown. As an Agent 3, MR was a team lead as well as the lead trainer for the Collections Department. In her position, MR was responsible for training all new employees, including Brown, on their job duties and the programs used within the department.

Brown and MR's history of conflict began shortly after Brown began working in the Collections Department. At the hearing, both Brown and MR testified about their past issues and provided their perspectives on several incidents. Brown testified that MR called her names, cussed at her, and pointed her fingers in Brown's face. Brown alleged MR was the cause of all of their conflict, she claimed she has done nothing wrong, and said MR was the most difficult person she has ever dealt with. Brown also testified that when she and MR worked together, she would alert management by email every time MR offended her, including reporting MR's attire because "[MR] never wore the right clothes."

MR testified that she does not know why Brown does not like her, but that Brown has had problems with her since they began working together. MR said she tried communicating with Brown one-on-one and through email, but that communication proved difficult and her efforts resulted in Brown reporting her for workplace bullying. Although I generally found MR's testimony more credible, it is ultimately unnecessary to review and reconcile Brown and MR's history of conflict in this case. Rather, the following events are relevant to, and provide context for, the conduct and discipline at issue in this appeal.

Sometime in mid-2017, management held a meeting with Brown and MR to try to resolve their personnel issues. The purpose of the meeting was to discuss their problems and to clear the air so that they could better understand each other's perspectives. At the meeting, Brown told management everything she did not like about MR. When Brown finished, MR broke down in tears and

was unable or unwilling do the same to Brown. Management directed MR and Brown to communicate only via email whenever possible in an attempt to reduce conflict. Additionally, management sought to reduce the time they spent together and separated their job duties as much as possible.

Sometime after the meeting, Brown filed a complaint with the Department of Administrative Services (DAS) alleging MR was bullying her. DAS placed MR on administrative leave for three weeks. When MR returned to work, IDOR issued MR work directives and required MR to complete a program on workplace bullying.

In Brown's 2018 performance evaluation, her supervisor gave her an overall rating of "meets expectations." However, in the categories of effective communication, mutual respect, and interpersonal skills, Brown's supervisor commented that Brown needed to work on communicating professionally, listening without becoming defensive or negative, and on respecting the opinions of others. Boswell testified that she met with Brown several times and provided her advice about how to communicate with employees who had different personality styles. At the hearing, Brown acknowledged that Boswell's comments referred to her strained relationship with MR.

Despite receiving these instructions and interventions, Brown and MR's personnel issues continued. As such, in July 2018, Boswell brought in Division Administrator Matt Bender to have a meeting with Brown and MR. At the meeting, Bender discussed with them IDOR's rules, the expectation of not gossiping, and the need to be professional. At the conclusion of the meeting,

Bender instructed Brown and MR not to communicate directly with one another. Rather, if they needed to communicate for business purposes, they should do so by emailing a third party. In addition, Bender instructed Brown and MR not to say negative things about each other to other employees. Brown told Boswell "she was good" with that approach.

In February 2019, IDOR transferred Brown from the Collections Division to the Finance Division. After the transfer, Brown and MR worked on different floors of their office building and had very few, if any, overlapping job duties that required their direct communication.

On January 24, 2020, Brown went to the Collections Department to talk with SW, a team lead from a third-party entity that works with IDOR. After talking with Brown, SW found MR and told her that Brown had said "really negative things" about MR and the department's supervisors, but SW did not specifically tell MR what Brown said. MR reported the incident to Human Resources later that day. Human Resources Associate Justin Moorhead followed up on the allegation, interviewed SW and MR, and reported his findings to management.

On January 30, 2020, Lagerblade met with Brown to discuss her professionalism in the office. At the meeting, Lagerblade issued Brown the following work directives as a result of the January 24, 2020, incident:

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¹ At the hearing, Brown disputed having made negative comments about specific individuals. Rather, Brown said she told SW that the Collections Department had a culture of micromanagement.

- 1. Keep conversations with co-workers, contractors, and venders professional at all times. Conversations are fine, however speaking negatively of other Department employees is prohibited.
- 2. Work Rule #4 states: Employees shall not falsify records, make false or malicious statements concerning other employees, supervisors, or the Department of Revenue. Failure to follow this work rule and work directive can lead to further discipline.

It is your responsibility to ask me for clarification if you have questions about these work directives. These work directives do not constitute discipline; however, failure to follow these directives may result in discipline, up to and including discharge.

Brown signed and acknowledged receipt of the work directives. At the hearing, Brown acknowledged that the directives were not difficult to understand or follow.

Events giving rise to Brown's three-day paper suspension

On October 16, 2020, IDOR hired a new employee, MS, to fill MR's Agent 3 position after promoting MR to Management Analyst 3. Although MR was not MS's direct supervisor, MR was responsible for training MS on her job duties and on the programs she would be using in her position. Prior to being hired at IDOR, MS worked for approximately 11 years at IWD. While there, MS knew of Brown, but they did not work or socialize together.

Before MS began at IDOR, she talked with a coworker at IWD about being nervous to start a new job. Her coworker was friends with Brown, so he texted Brown and told her MS was coming to IDOR. Brown responded along the lines of, "Well, if she's okay with it, give me her phone number and I'll text her about the place." MS gave her coworker permission to give Brown her phone number.

On October 15, the day before MS started her new position at IDOR, Brown texted MS offering to give her "lots of pointers" and to "tell [her] who to trust." Brown also wrote, "I'm in collection but I'm not in that group. Many issues so they moved me to the financial group. Many things to chat about."

MS testified she felt like Brown was trying to goad her into gossiping. She said Brown's comments about "who to trust" and there being "many issues" in the department made MS uncomfortable. MS decided to ignore those comments and instead asked Brown about the job duties and thanked her for reaching out.

At approximately 7:30 AM the next morning, roughly 30 minutes before MS began her first day at IDOR, Brown messaged MS:

Congrats on your new job. Mark Masters knows everything. You are beautiful and smart so [MR] will not like you and she'll try to hide it. Do not trust her or tell her much about yourself. That should include staff who like her too.

Don't trust Bill either. Keep many people at a distance bc it will be best. You will do great. Keep your head up. I'd like to chat more some time you are free.

The text's reference to "Bill" was to Bill Watson, MS's direct supervisor and MR was responsible for training MS in her new position. At the hearing, MS testified that these texts "took [her] aback" and "kind of just shook [her] to the core." MS said that she is not easily offended; however, Brown saying "negative things about the folks that I was going to be working very closely with" on her first day of work made her uncomfortable and "mess[ed] with [her] psyche." MS did not respond to Brown's texts and she had no further communication with Brown.

Initially, MS was unsure what do to about the texts, as she felt the texts put her "in a very difficult spot." However, MS eventually decided to show the texts to MR. When she did, MR told her, "I'm so sorry that you are being dragged into this. There's been some past issues." MR asked if she could show the texts to her supervisor, to which MS agreed.

MR sent screen shots of Brown's messages to her supervisor who then forwarded the messages to Division Administrator Matt Bender. After reviewing the messages, Bender determined an investigation was necessary and assigned Human Resources Associate Justin Moorhead to investigate.

On October 28, 2020, Moorhead separately interviewed MR and MS. Moorhead did not record the interviews, but wrote detailed summaries of the witnesses' responses.

On the morning of October 30, 2020, Moorhead and Lagerblade conducted the first of two interviews with Brown. At the start of the first interview, Moorhead informed Brown that she was the subject of the investigation and that the investigation could lead to discipline up to and including termination. In Brown's initial interview, Brown denied knowing MS was starting with IDOR on October 16 and she denied ever having contacted her. Brown told the investigators that she did not have MS's personal cell phone number and said she had never texted with MS. However, when Moorhead showed Brown screenshots of the text messages, Brown asked to stop the interview so that she could speak with a union representative. Moorhead agreed and ended the interview.

Moorhead contacted a union steward and scheduled a second interview for that afternoon. In her second interview, Brown acknowledged having texted MS, stating, "It was basically my personal opinion and I was just telling her about my opinion of the environment because she wanted to know about it and that was it." Brown also acknowledged that she had received work directives earlier that year for a similar situation; however, Brown denied that her messages to MS violated those directives or IDOR's work rules.

At the hearing, Brown submitted a recording of a conversation between Moorhead and Lagerblade, which occurred immediately after Brown's second interview after Brown and her union steward left the meeting. In the conversation, Moorhead discussed his initial impressions of the interview with Lagerblade, during which he made the following remarks:

What I wanted to say I felt is going to be a discussion when we follow back up with her, once DAS approves the discipline level we'll go with, its clear cut.

And what I wanted to say to her, just let me know if you agree or not, I totally get that she might not of felt it was malicious, but here's my problem...it's not free to hire people...

After interviewing Brown, Moorhead concluded his investigation and presented his findings along with the interview summaries and recordings to Matt Bender and DAS Personnel Officer Jen Wolver. Moorhead did not make a recommendation as to discipline.

Bender and Wolver reviewed the investigative material as well as Brown's employment and disciplinary history. At the hearing, Bender testified that they were unable to find any other comparable disciplinary cases. Bender and Wolver

reviewed the just cause factors and determined Brown's misconduct in this case was serious due to her two previous warnings not to make disparaging remarks and the fact that her messages were intended to undermine trust between a new employee and her supervisor and trainer, which could result in dissension in the department. Due to the seriousness of Brown's repeated misconduct, Bender and Wolver determined a three-day paper suspension was warranted.

On November 5, 2020, IDOR issued Brown a three-day paper suspension, which stated, in relevant part:

This is to advise you that the investigation into your alleged violations of department work rules has been concluded. The investigation determined your conduct violated IDR work rule #4 outlined below. As a result of this infraction, you are hereby subject to this written notice of alternative discipline in lieu of a suspension without pay. While this action does not reduce your pay, seniority, or other benefits it does carry the same weight as if you had been subject to a 3 day suspension.

4. ".....make false or malicious statements concerning other employees, supervisors, or the Department of Revenue."

On October 30th, the investigation revealed you violated the terms of your work directive in regards to work rule #4. The following actions have been taken as a result of current and previous related issues.

Brown timely appealed her three-day suspension to DAS contending it was not supported by just cause and requesting it be removed from her personnel record. On December 9, 2020, the DAS Director's designee denied Brown's appeal. Brown subsequently filed the instant appeal with PERB.

CONCLUSIONS OF LAW

Brown filed this appeal pursuant to Iowa Code section 8A.415(2), which provides:

2. Discipline Resolution

- a. A merit system employee...who is discharged, suspended, demoted, or otherwise receives a reduction in pay, except during the employee's probationary period, may bypass steps one and two of the grievance procedure and appeal the disciplinary action to the director within seven calendar days following the effective date of the action. The director shall respond within thirty calendar days following receipt of the appeal.
- b. If not satisfied, the employee may, within thirty calendar days following the director's response, file an appeal with the public employment relations board...If the public employment relations board finds that the action taken by the appointing authority was for political, religious, racial, national origin, sex, age, or other reasons not constituting just cause, the employee may be reinstated without loss of pay or benefits for the elapsed period, or the public employment relations board may provide other appropriate remedies.

DAS rules provide specific disciplinary measures and procedures for disciplining employees:

11—60.2(8A) Disciplinary actions. Except as otherwise provided, in addition to less severe progressive discipline measures, any employee is subject to any of the following disciplinary actions when the action is based on a standard of just cause: suspension, reduction of pay within the same pay grade, disciplinary demotion, or discharge....Disciplinary action shall be based on any of the following reasons: inefficiency, insubordination, less competent job performance, refusal of a reassignment, failure to perform assigned duties, inadequacy in the performance of assigned duties, dishonesty, improper use of leave, unrehabilitated substance abuse, negligence, conduct which adversely affects the employee's job performance or the agency of employment, conviction of a crime involving moral turpitude, conduct unbecoming a public employee, misconduct, or any other just cause.

Just cause must exist to support the disciplinary action taken. The State bears the burden of establishing that just cause supports the discipline imposed. *Harrison & State of Iowa (Dep't of Human Servs.)*, 05-MA-04 at 9.

In the absence of a definition of just cause, PERB has long considered the totality of circumstances and rejected a mechanical, inflexible application of fixed elements in its determination of whether just cause exists. Wiarda & State of Iowa (Dep't of Human Servs.), 01-MA-03 at 13-14. In analyzing the totality of circumstances, examples of factors that may be relevant to a just cause determination include, but are not limited to:

Whether the employee has been given forewarning or has knowledge of the employer's rules and expected conduct; whether a sufficient and fair investigation was conducted by the employer; whether reasons for the discipline were adequately communicated to the employee; whether there is sufficient proof of the employee's guilt of the offense; whether progressive discipline was followed, or is not applicable under the circumstances; whether the punishment imposed is proportionate to the offense; whether the employee's employment record, including years of service, performance, and disciplinary record, have been given due consideration; and whether there are other mitigating circumstances which would justify a lesser penalty.

Gleiser & State of Iowa (Dep't of Transp.), 09-MA-01 at 16-17.

PERB also considers the treatment afforded other similarly situated employees. See Woods & State of Iowa (Dep't of Inspects. and Appeals), 03-MA-01 at 2. All employees who engage in the same type of misconduct must be treated essentially the same unless a reasonable basis exists for a difference in the penalty imposed. *Id*.

Iowa Code section 8A.413(19)(b) and DAS subrule 60.2(1)(b) require the State to provide the employee being disciplined with a written statement of the

reasons for the discipline. PERB has long held the presence or absence of just cause must be determined upon the stated reasons in the disciplinary letter alone. See Eaves & State of Iowa (Dep't of Corr.), 03-MA-04 at 14; see also Hunsaker & State of Iowa (Dep't of Emp't Servs.), 90-MA-13 at 46, n. 27. In order to establish just cause, the State must demonstrate the employee is guilty of violating the work rule, policy, or agreement cited in the termination letter. See Gleiser, 09-MA-01 at 17-18.

The reason for Brown's discipline stated in her suspension letter was that her conduct violated IDOR Work Rule #4 and the work directives issued in January 2020. As such, the existence of just cause for Brown's three-day paper suspension must be determined upon these grounds alone, rather than upon other reasons suggested in the briefs or testimony elicited at hearing.

Brown advances several arguments challenging the State's case. Brown's primary contention is that the State has failed to prove her conduct violated IDOR work rule #4 because the State has not shown Brown acted with "malicious intent" when she sent the messages. Additionally and alternatively, Brown challenges the adequacy of notice provided by IDOR's work rules, the fairness of the State's investigation, and the consistency and proportionality of the discipline imposed. Brown's arguments will be addressed independently and in succession.

Notice of work rules

Brown asserts that IDOR work rule #4 is so vague and/or broad that it fails to provide notice of what conduct is prohibited. Additionally, Brown asserts

that her prior work directives were so broad and subjective that management could interpret anything she did as a violation of the directives. For these reasons, Brown contends IDOR failed to provide sufficient notice her conduct could result in discipline. The undersigned disagrees.

IDOR Work Rule #4 states, "Employees shall not falsify records, make false or malicious statements concerning other employees, supervisors, or the Department of Revenue." While the policy does not define the term "malicious," the Merriam-Webster dictionary defines malicious as "having or showing a desire to cause harm to someone" and Iowa courts have generally defined "malicious acts" as actions "inspired by ill-will, hatred, or other wrongful motive." See Vander Linden v. Crews, 231 N.W.2d 904, 906 (Iowa 1975). As such, while the rule may not specify every minute prohibition, it nonetheless establishes a standard sufficient to inform employees of the type of statements that are prohibited.

Moreover, even if the rule was vague, IDOR clarified its expectations of Brown on two separate occasions: first, by meeting with her and instructing her not to speak negatively about MR and supervisors, and later, by issuing her explicit work directives to the same effect. Finally, even if after these meetings and directives Brown was still unsure of IDOR's expectations, her work directives instructed her to ask her supervisor for clarification.

Taken together, the record shows Brown received copies of IDOR's work rules; she was trained on the expectations of her position; and she received instructions and directives not to speak negatively about MR and supervisors.

As Brown was familiar with both Work Rule #4 and her directives, Brown knew, or should have known, that sending negative texts about MR and a supervisor to a new employee could be violative of the rule and result in discipline. Consequently, the State has established Brown had sufficient notice of IDOR's rules and expectations.

Sufficient and fair investigation

Brown challenges the fairness of the State's investigation. Specifically, Brown contends that Investigator Moorhead's remark after her second interview, wherein he stated, "Once DAS approves the discipline level we'll go with, it's clear cut..." demonstrates that Moorhead determined her guilt before concluding the investigation. For this reason, Brown asserts Moorhead's investigation was unfair and its results unreliable. The undersigned disagrees.

While Moorhead's remark was perhaps ill advised, as the investigator, it was Moorhead's responsibility to determine the facts and advise as to whether a work rule was violated. As Moorhead made the remark after the final interview in the investigation when all of the evidence was received, Moorhead's remark reflects his initial impression of the evidence; not that he predetermined Brown's guilt.

This is supported by the fact that, aside from the post-interview remark, the record shows Moorhead conducted an otherwise fair and sufficient investigation. Prior to interviewing Brown, Moorhead reviewed the text messages, determined the individuals involved in the incident, and interviewed all relevant witnesses. When interviewing Brown, Moorhead ended the first interview to

provide Brown a union representative. In the second interview, Moorhead followed the same line of questioning as in the first; his questions pertained to the conduct under investigation; and Brown had an opportunity to review the texts, respond to Moorhead's questions, and explain her conduct.

Finally, both Moorhead and Bender credibly testified that Moorhead played no role in the disciplinary determination. Specifically, both testified that Moorhead's role was limited to leading the investigation and presenting his factual findings. Both testified that Bender, in consultation with DAS Personnel Officer Wolver, reviewed the findings and determined the level of discipline.

Therefore, as Moorhead was not involved in the disciplinary determination and he performed an otherwise neutral and fair investigation, I conclude his post-interview remark did not materially affect the accuracy or outcome of the State's investigation and was harmless. As such, the State conducted an investigation that was fair to Brown and, as will be discussed below, sufficiently garnered the facts to determine whether Brown violated IDOR Work Rule #4 and her work directives.

Sufficient proof of employee's guilt

Brown admits that she sent the text messages to MS. However, Brown claims that she was merely trying to help a former coworker avoid having a bad experience and that she had no wrongful motive or malicious intent for sending the messages. Brown contends the State failed to prove her conduct violated the work rule because she did not have malicious intent when sending the messages and IDOR Work Rule #4 prohibits making "malicious statements." Therefore, she

asserts the State failed to establish just cause for her three-day paper suspension. For the reasons discussed below, I disagree.

Although Brown may have provided MS her honest opinion, MS never asked Brown for her opinion of MR or Bill Watson and Brown's explicit intent for sending the messages was to undermine MS's trust in her soon-to-be trainer and supervisor. While Brown claims she did not have malicious intent when she expressed these negative comments about MR and Watson, management had twice instructed Brown not to make negative comments about MR or supervisors and issued her work directives to the same effect.

As Brown was warned multiple times not to make negative comments about MR or supervisors, yet chose to send unsolicited, negative messages about MR and a supervisor to a new employee Brown hardly knew, it is reasonable to infer Brown's messages were motivated more by her animosity towards MR than a genuine concern for MS. As such, I conclude the State has provided sufficient proof Brown made malicious statements in violation of her work directives and IDOR Work Rule #4.

Progressive discipline/punishment proportionate to offense

Having concluded Brown's actions violated both IDOR Work Rule #4 and her work directives, the next inquiry is whether the penalty imposed is proportionate to the offense. *See McClanahan & State of Iowa (Dep't of Transp.)*, 2021 ALJ 102394 at 15; *see also Krieger & State of Iowa (Dep't of Transp.)*, 2020 PERB 102243, App. A at 7.

It is well established that the State's disciplinary policy contemplates a system where penalties of increasing severity are applied to repeated offenses until the behavior is either corrected or it becomes clear the behavior cannot be corrected. See Nimry & State of Iowa (Dep't of Nat. Res.), 08-MA-09, 08-MA-18 at App. 30. PERB has held that when discipline is required, the discipline should be progressive and proportional to the violation. See Wilkerson-Moore & State of Iowa (Dep't of Human Serv. Fiscal Mgmt. Div.), 2018 PERB 100788, App. A at 20; see also Phillips & State of Iowa (Dep't of Human Servs.), 12-MA-05, App. A at 16. The purpose of progressive discipline is to convey the seriousness of the behavior while affording an employee the opportunity to improve and take corrective responsibility. See Phillips, 12-MA-05, App. A at 16.

However, progressive discipline may be inapplicable when the conduct underlying the discipline was a serious offense. See id., App. A at 13, 16-18. When determining the appropriate discipline and the use or absence of progressive discipline, PERB considers the circumstances of the case. See Hoffmann & State of Iowa (Dep't of Transp.), 93-MA-21 at 26. These circumstances include, but are not limited to, the severity and extent of the violation; the position of responsibility held by the employee; the employee's prior work record; and whether the violation has resulted in the employer's loss of trust and confidence in the employee's ability to continue in their position. See Phillips & State of Iowa (Dep't of Corr.), 98-HO-09 at 15; see also Estate of Salier & State of Iowa (Dep't of Corr.), 95-HO-05 at 17.

The State acknowledges that it did not follow progressive discipline. However, the State contends Brown's misconduct was so egregious in light of all the circumstances that progressive discipline was inapplicable and skipping to a three-day paper suspension was appropriate. The undersigned agrees.

In this case, Brown's misconduct was deliberate and serious, as her messages were intended to erode MS's trust in her trainer and supervisor and she chose to send the messages after having been told at least twice not to engage in that behavior. What is more, Brown appeared to lie about having sent the messages in her first investigatory interview until she was confronted with the evidence and Brown has refused to acknowledge any fault or wrongdoing. Under these circumstances, I conclude IDOR's determination that lesser discipline would be insufficient to correct Brown's behavior was reasonable and that a three-day paper suspension is proportionate to the offense. As such, the State has established just cause existed to issue Brown a three-day paper suspension. Consequently, I propose the following:

ORDER

Brown's State employee disciplinary action appeal is DISMISSED.

The costs of reporting and of the agency-requested transcript in the amount of \$1,874.75 are assessed against the Appellant, Stacey Brown, pursuant to Iowa Code section 20.6(6) and PERB rule 621—11.9. A bill of costs will be issued to the Appellant in accordance with PERB subrule 11.9(3).

The proposed decision and order will become PERB's final agency action on the merits of Brown's appeal pursuant to PERB rule 621—9.1 unless, within

20 days of the date below, a party files a petition for review with the Public Employment Relations Board or the Board determines to review the proposed decision on its own motion.

DATED at Des Moines, Iowa this 28th day of September, 2022.

Patrick B. Thomas

Administrative Law Judge

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